

RAILROAD COMMISSION OF TEXAS ALTERNATIVE ENERGY DIVISION

FREQUENTLY ASKED QUESTIONS LP-GAS, CNG AND LNG COMPANY LICENSES

GENERAL

Q. Who needs a company license?

- A. Any business that engages in LPG, CNG or LNG activities in Texas must be licensed. These activities include selling, transporting, dispensing or storing LPG, CNG or LNG and manufacturing, installing, servicing or repairing LPG, CNG or LNG containers, systems and appliances. Some exceptions apply: For [LPG, see Tex. Nat. Res. Code §113.081](#). For [CNG and LNG, see Tex. Nat. Res. Code §116.031](#).

Q. What forms do I use to apply for a company license?

- A. Applications require three forms: [Form 1/1001/2001, Application for License](#); [Form 996A/1996A/2996A, Certificate of Insurance, Workers' Compensation and Employers' Liability or Alternative Accident/Health Insurance](#); and [Form 998A/1998A/2998A, Certificate of Insurance, General Liability](#).

Companies that operate transports, bobtails, or container delivery trucks must also submit [Form 997A/1997A/2997A, Certificate of Insurance, Motor Vehicle, Bodily Injury and Property Damage Liability](#).

Q. Which category of license should I apply for?

- A. License categories are based on the LPG/CNG/LNG activities your company is engaged in. The [categories of LPG licenses](#) are listed in Tex. Nat. Res. Code §113.082, Categories of LPG Activities. The [categories of CNG and LNG licenses](#) are listed in Tex. Nat. Res. Code §116.031(a), License Requirement.

Q. What is a company representative?

- A. An LPG company representative is the individual designated to the Commission by a license applicant or licensee as the principal individual in authority and, in the case of a licensee other than an LPG Category P licensee, who actively supervises the conduct of the licensee's LPG activities.

A CNG or LNG company representative is an owner or employee of a licensee designated by that licensee to take any required examinations and to actively supervise the licensee's CNG or LNG operations.

Q. What documents do I need to submit with my application?

- A. If your business is a corporation or a limited liability company, you must submit a copy of your [Franchise Tax Certification of Account Status](#) from the Comptroller of Public Accounts and your [Business Organization Inquiry](#) from the Texas Secretary of State's office. Any company performing activities under an assumed name (DBA) must also submit copies of the assumed name certificates that are required to be filed with the respective county clerk's office and/or the Texas Secretary of State.

Q. How much does a license cost?

- A. [License fees](#) vary by category. Click on the highlighted link to view a complete list.

- Q. What is required to change a licensee's type of business organization from a sole proprietorship to a corporation?**
- A. A new license is required in the name of the corporation. The following forms and the required license fee must be submitted:
[Form 1/1001/2001, Application for License;](#)
[Form 996A/1996A/2996A, Certificate of Insurance, Workers' Compensation and Employers' Liability or Alternative Accident/Health Insurance;](#) and
[Form 998A/1998A/2998A, Certificate of Insurance, General Liability.](#)
- Companies that operate transports, bobtails, or container delivery trucks must also submit [Form 997A/1997A/2997A, Certificate of Insurance, Motor Vehicle, Bodily Injury and Property Damage Liability.](#)
- Q. How long is a license good for?**
- A. A license is good for one year.
- Q. Do I need to display my license at each of my company's outlets?**
- A. Yes. A copy of your company's wall license needs to be displayed at each of your outlets.
- Q. How do I renew my license?**
- A. The Railroad Commission mails renewal forms to each licensee 60 days before the license is set to expire. You may return the forms to the Commission by mail and enclose a check, or you may pay by credit card online at www.propane.tx.gov and fax your forms and your online payment receipt to the Commission at 512-463-7292.
- Q. What do I need to do if I buy out another currently licensed company?**
- A. If the other company will not be operated as a separate entity, you need to transfer all of that company's outlets, trucks and certified employees to your company's license. To transfer outlets, use [Form 1A/1001A/2001A, Outlet List.](#) To transfer trucks, use [Form 7/1007/2007, Truck Registration.](#) To transfer certified employees, use [Form 16A/1016A/2016A, Certified Employee Transfer Form.](#)
- Q. What do I need to do if I buy a currently licensed company that is a corporation?**
- A. If the corporation will remain the same, except for new officers, you must submit a revised [Form 1/1001/2001, Application for License,](#) indicating the new officers and any changes in the company representative.
- If the insurance changes, then you must file a new [Form 996A/1996A/2996A, Certificate of Insurance, Workers' Compensation and Employers' Liability or Alternative Accident/Health Insurance](#) and/or [Form 998A/1998A/2998A, Certificate of Insurance, General Liability.](#) If the corporation operates transports, bobtails, or container delivery trucks, you must submit [Form 997A/1997A/2997A, Certificate of Insurance, Motor Vehicle, Bodily Injury and Property Damage Liability.](#)
- Q. Can I keep my license active if I sell my business?**
- A. Yes, you may keep your license active by simply renewing it annually. A licensee that performs no LP-gas, CNG or LNG activities requiring a license may file the appropriate Statements in Lieu of Insurance on Railroad Commission [Forms 996B/1996B/2996B](#) for LP-gas, [997B/1997B/2997B](#) for CNG, and [998B/1998B/2998B](#) for LNG.

OUTLETS

Q. What is an outlet?

A. An outlet is a site operated by an LPG/CNG/LNG licensee from which any regulated activity is performed. A bulk storage installation with no office is not considered an outlet.

Q. What information do I need to submit about each of my outlets?

A. [Form 1A/1001A/2001A, Outlet List](#), requires the outlet's name, address and phone number, and the outlet manager's name and Social Security number.

Q. Who do I list as the branch manager for an outlet?

A. The branch manager is the Railroad-Commission-certified individual responsible for the LPG, CNG or LNG activities at the outlet.

Q. Is there a separate licensing fee for each outlet?

A. No. Your licensing fee covers all your company's outlets.

Q. What do I need to do if I buy an outlet from another currently licensed company?

A. You need to add the outlet to your current license by submitting [Form 1A/1001A/2001A, Outlet List](#).

TRUCKS

Q. What vehicles are required to be registered?

A. In general, any cargo tank motor vehicle or container delivery vehicle that transports LP-gas in bulk is required to be registered with the Railroad Commission.

Q. Must I register a truck that was bought out of state and operated in Texas?

A. Yes. The current operator must register any truck operating in Texas.

Q. Must I register a bobtail that will be parked at my office and only used to fill cylinders and motor/mobile fuel containers?

A. Yes.

Q. Must I register a bobtail unit that is used strictly as a backup, not as a regular delivery vehicle?

A. Yes. A bobtail that is used as a backup is required to be registered before it is used for LP-gas service.

Q. Must I register a service truck or company pickup that delivers LP-gas cylinders?

A. Yes, you must register any truck or trailer that is used principally for transporting LPG in portable containers.

Q. What vehicles are exempt from registration?

A. Any truck or trailer that delivers LP-gas cylinders but is not used principally for transporting LPG in portable containers is exempt from registration.

Q. How do I register a vehicle that does not have a current decal?

A. If the vehicle is a transport, bobtail or service truck or company pickup used principally for transporting LP-Gas in portable cylinders, submit a [Form 7, Truck Registration](#), and the required \$270.00 fee. To register a newly constructed transport trailer or bobtail unit that has never been registered with the Railroad Commission, you must also submit the Manufacturer's Data Report, a Certificate of Compliance from the manufacturer for the cargo tank, and a Certificate of Compliance for the completed unit.

Q. What test results are required before a bobtail or transport may be registered?

A. A copy of the results of a hydrostatic test performed on the unit within the last five years must be submitted with Form 7 and the required fee.

- Q. Can a truck be registered if its required retest date has passed?**
A. No.
- Q. What does it cost to register a truck?**
A. \$270.00
- Q. Where do I get a truck decal?**
A. Decals are issued by the Railroad Commission's Alternative Energy Division, Licensing Section.
- Q. Where on the vehicle must the decal be displayed?**
A. Placement of the decal varies by the type of vehicle. The correct location for all vehicle types is displayed on the back of each decal.
- Q. Does the registration decal transfer to the new owner when a truck is sold?**
A. No. The decal does not transfer to the new owner.
- Q. What is the procedure for transferring a vehicle's registration or replacing a decal?**
A. The new owner must submit a [Form 7, Truck Registration](#), and a transfer fee of \$100.00. The vehicle must have a current (active) decal from the previous owner and may only be transferred to a company that has a current LP-gas license. Once the transfer is completed, the Commission will issue the new owner a new decal.
- To request a replacement decal, submit [Form 18, Statement of Lost or Destroyed Decal](#), and the required \$50.00 fee.
- Q. What should I do if a decal is placed on the wrong truck?**
A. Submit a [Form 18, Statement of Lost or Destroyed Decal](#), and the required \$50.00 fee.
- Q. Can I get a refund if I sell a truck before the decal is placed on it?**
A. No.
- Q. Can I register a non-specification unit if it has not been registered continuously?**
A. No.
- Q. Can a Form 4 decal be issued to a delivery truck, transport or container delivery unit that has not been inspected by a Railroad Commission inspector within the last four years?**
A. No. A decal will not issued if the Commission does not have an inspection record for a unit within the required four-year cycle.

INSURANCE

- Q. Do I have to have insurance to be licensed?**
A. Yes.
- Q. Why are the insurance certificates continuous until canceled?**
A. Insurance certificates are continuous to avoid the expense and inconvenience of renewing them annually.
- Q. What types and amounts of insurance coverage are required?**
A. Insurance requirements vary according to license category and according to whether the licensee transports fuel and has employees.
- General Liability
LPG Category D, F, I, G, K, L, M, N or P; CNG Category 2, 5, 6: \$25,000.00 per occurrence with a \$50,000.00 policy aggregate.
- LPG Category H or J: \$300,000.00 per occurrence with a \$300,000.00 policy aggregate.

LPG Category A, B, C, E or O: \$300,000.00 per occurrence with a \$300,000.00 policy aggregate, including completed operations and product liability coverage with a \$300,000.00 policy aggregate.

Motor Vehicle Liability

Licensees that transport LPG, CNG or LNG: \$500,000.00 combined single limit for bodily injury or death for all persons injured or killed in any accident and loss or damage in any one accident to property of others. A licensee that transports LPG, CNG or LNG but has no employees may submit [Form 997B/1997B/2997B, Statement in Lieu of Insurance Filing](#).

Workers' Compensation or Alternative Accident/Health Insurance

Licensees that have employees: \$150,000.00 per employee for medical expenses; \$100,000.00 accidental death benefits; loss of limb or sight on a scale based on the principal amount of \$100,000.00; and loss of income of not less than 60 percent of the employee's pre-injury income for not less than 52 weeks, subject to the maximum weekly benefit equal to the state average weekly wage calculated annually by the Texas Employment Commission.

Companies with no employees may submit [Form 996B/1996B/2996B, Statement in Lieu of Insurance Filing](#).

Q. What documents does the Railroad Commission require to comply with insurance requirements?

- A. General Liability: [Form 998A/1998A/2998A](#), or [Statement in Lieu of Insurance Filing, Form 998B/1998B/2998B](#) if you wish to retain your license but are not currently performing any activities requiring licensing.

Motor Vehicle Liability: [Form 997A/1997A/2997A](#), or [Form 997B/1997B/2997B, Statement in Lieu of Insurance Filing](#).

Workers' Compensation or Alternative Accident/Health Insurance: [Form 996A/1996A/2996A](#), or [Form 996B/1996B/2996B, Statement in Lieu of Insurance Filing](#).

Q. Are the Commission's insurance forms the only acceptable forms?

- A. No. The Commission accepts other insurance forms, as long as all the required information and coverage amount are provided.

Q. Whose signature goes on the Commission's certificate of insurance forms?

- A. An insurance company representative.

Q. Can my local insurance agent sign the required insurance certificates?

- A. Yes.

Q. How do I find out if a company is authorized to write insurance in Texas?

- A. Call TDI or visit the [Texas Department of Insurance](#) web site.

Q. What are the requirements to self-insure?

- A. A licensee or applicant desiring to self-insure must file [Form 28/1028/2028, Application To Use Irrevocable Letter of Credit](#), LPG [Form 28A, Bank Declarations Regarding Irrevocable Letter of Credit](#), and associated documentation. Complete requirements are set out in [LPG Safety Rule §9.26\(i\)](#).

Self-insurance documents submitted to the Commission are reviewed by the Commission's Office of General Counsel before a license is issued.

Q. Does the company name on the Commission's Certificate of Insurance forms have to match the name on the application for license?

- A. Yes. The legal names must match exactly.